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2d Session }

HOUSE OF REPRESENTATIVES }

REPORT
No. 2195

DEPENDENTS' MEDICAL CARE ACT

MAY 22, 1956—Ordered to be printed

Mr. VINSON, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 9429]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9429) to provide medical care for dependents of members of the uniformed services, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That this Act may be cited as the "Dependents' Medical Care Act".*

TITLE I

SEC. 101. The purpose of this Act is to create and maintain high morale throughout the uniformed services by providing an improved and uniform program of medical care for members of the uniformed services and their dependents.

SEC. 102. (a) As used in this Act—

(1) The term "uniformed services" means the Army, the Navy, the Air Force, the Marine Corps, the Coast Guard, the Commissioned Corps of the Coast and Geodetic Survey, and the Commissioned Corps of the Public Health Service.

(2) The term "member of a uniformed service" means a person appointed, enlisted, inducted or called, ordered or conscripted in a uniformed service who is serving on active duty or active duty for training pursuant to a call or order that does not specify a period of thirty days or less.

(3) The term "retired member of a uniformed service" means a member or former member of a uniformed service who is entitled to retired, retirement, or retainer pay or equivalent pay as a result of service in a uniformed

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service, other than a member or former member entitled to retired or retirement pay under title III of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 who has served less than eight years of active duty as defined in section 101 (b) of the Armed Forces Reserve Act of 1952.

(4) The term "dependent" means any person who bears to a member or retired member of a uniformed service, or to a person who died while a member or retired member of a uniformed service, any of the following relationships—

- (A) the lawful wife;
- (B) the unremarried widow;
- (C) the lawful husband, if he is in fact dependent on the member or retired member for over one-half of his support;
- (D) the unremarried widower, if he was in fact dependent upon the member or retired member at the time of her death for over one-half of his support because of a mental or physical incapacity;
- (E) an unmarried legitimate child (including an adopted child or stepchild), if such child has not passed his twenty-first birthday;
- (F) a parent or parent-in-law, if the said parent or parent-in-law is, or was at the time of the member's or retired member's death, in fact dependent on the said member or retired member for over one-half of his support and is, or was at the time of the member's or retired member's death, actually residing in the household of the said member or retired member; or
- (G) an unmarried legitimate child (including an adopted child or stepchild) who (i) has passed his twenty-first birthday, if the child is incapable of self-support because of a mental or physical incapacity that existed prior to his reaching the age of twenty-one and is, or was at the time of the member's or retired member's death, in fact dependent on him for over one-half of his support, or (ii) has not passed his twenty-third birthday and is enrolled in a full-time course of study in an institution of higher learning as approved by the Secretary of Defense or the Secretary of Health, Education, and Welfare and is, or was at the time of the member's or the retired member's death, in fact dependent on him for over one-half of his support.

(b) Except as otherwise provided in this Act, the Secretary of Defense shall administer this Act for the Army, Navy, Air Force, and Marine Corps and for the Coast Guard when it is operating as a service in the Navy, and the Secretary of Health, Education, and Welfare shall administer it for the Coast and Geodetic Survey and the Public Health Service, and for the Coast Guard when it is not operating as a service in the Navy.

SEC. 103. (a) Whenever requested, medical care shall be given dependents of members of a uniformed service, and dependents of persons who died while a member of a uniformed service, in medical facilities of the uniformed services subject to the availability of space, facilities, and the capabilities of the medical staff. Any determination made by the medical officer or contract surgeon in charge, or his designee, as to availability of space, facilities, and the capabilities of the medical staff, shall be conclusive. The medical care of such dependents provided for in medical facilities of the uniformed services shall in no way interfere with the primary mission of those facilities.

(b) In order to provide more effective utilization of medical facilities of the uniformed services, the Secretary of Defense and the Secretary of

Health, Education, and Welfare shall jointly prescribe regulations to insure that dependents entitled to medical care in a medical facility of a uniformed service under the provisions of this Act shall not be denied equal opportunity for medical care because of the service affiliation of the service member.

(c) The Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, shall establish fair charges for inpatient medical care given dependents in the facilities of the uniformed services, which charges shall be the same for all dependents.

(d) As a restraint on excessive demands for medical care under this section, uniform minimal charges may be imposed for outpatient care but such charges shall be limited to such amounts, if any, as may be established by the Secretary of Defense after consultation with the Secretary of Health, Education, and Welfare, under a special finding that such charges are necessary.

(e) Any amounts that are received in payment for subsistence and medical care rendered dependents in facilities of the uniformed services shall be deposited to the credit of the appropriation supporting the maintenance and operation of the facilities furnishing the care.

(f) Medical care under this section shall be limited to the following:

- (1) Diagnosis;*
- (2) Treatment of acute medical and surgical conditions;*
- (3) Treatment of contagious diseases;*
- (4) Immunization; and*
- (5) Maternity and infant care.*

(g) (1) Hospitalization under this section is not authorized dependents for domiciliary care.

(2) Hospitalization under this section is not authorized dependents for nervous and mental disorders, chronic diseases, or elective medical and surgical treatments, except that the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, by regulation, may provide in special and unusual cases for hospitalization of not to exceed twelve months for dependents for such disorders or such diseases, or for such treatments.

(h) Dependents shall not be provided under this section—

(1) prosthetic devices, hearing aids, orthopedic footwear, and spectacles, except that outside the continental limits of the United States and at remote stations within the continental limits of the United States where adequate civilian facilities are not available, those items, if available, from Government stocks, may be provided to dependents at prices representing invoice cost to the Government;

(2) ambulance service, except in acute emergency;

(3) home calls, except in special cases where it is determined by the medical officer or contract surgeon in charge, or his designee, to be medically necessary;

(4) dental care, except—

(A) emergency care to relieve pain and suffering but not to include any permanent restorative work or dental prosthesis;

(B) care as a necessary adjunct to medical or surgical treatment; and

(C) outside the continental limits of the United States, and in remote areas within the continental limits of the United States where adequate civilian dental facilities are not available.

TITLE II

SEC. 201. (a) In order to assure the availability of medical care for the spouses and children who are dependents of members of the uniformed services, the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, shall contract for medical care for such persons, pursuant to the provisions of this title, under such insurance, medical service, or health plan or plans as he deems appropriate, which plan or plans shall, subject to the provisions of section 204 hereof, include the following:

(1) Hospitalization in semiprivate accommodations up to three hundred and sixty-five days for each admission, including all necessary services and supplies furnished by the hospital during inpatient confinement;

(2) Medical and surgical care incident to a period of hospitalization;

(3) Complete obstetrical and maternity service, including prenatal and postnatal care;

(4) Required services of a physician or surgeon prior to and following hospitalization for a bodily injury or for a surgical operation;

(5) Diagnostic tests and procedures, including laboratory and X-ray examinations, accomplished or recommended by a physician incident to hospitalization.

For each admission the plan shall also provide for payment by the patient of hospital expenses incurred under paragraph (1) hereof in the amount of either (1) \$25 or (2) the charge established pursuant to section 103 (c) of this Act multiplied by the number of days hospitalized, whichever is the greater.

(b) Subsection (a) shall be subject to such reasonable limitations, additions, exclusions, definitions, and related provisions as the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, may deem appropriate, except that medical care normally considered to be outpatient care shall not be authorized by this subsection.

(c) The dependents covered under this section may elect to receive medical care under the terms of this Act in either the facilities of a uniformed service under the conditions specified in title I of this Act or in the facilities provided for under such insurance, medical service, or health plan or plans as may be provided by the authority contained in this section, except that the right to such election may be limited under regulations prescribed by the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, for such dependents residing in areas where the member concerned is assigned and where adequate medical facilities of a uniformed service are available for such dependents.

SEC. 202. Any insurance, medical service, or health plan or plans which may be entered into by the Secretary of Defense with respect to medical care under the provisions of this Act shall contain a provision for a review, and, if necessary, an adjustment of payments by the Secretary of Defense or Secretary of Health, Education, and Welfare not later than one hundred and twenty days after the first year the plan or plans have been in effect and each year thereafter. Within ninety days after each such review, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and of the House of Representatives a report covering the payments made during the year reviewed, including any adjustment thereof.

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SEC. 203. In order to effectuate the purposes of this title, the Secretary of Defense is authorized to establish insurance, medical service, and health plan advisory committees to advise, consult, and make recommendations to the Secretary of Defense, provided that the Secretary issues regulations setting forth the scope, procedures, and activities of such committees. These committees shall consist of the Secretary of Defense or his designee, who shall be chairman, and such other persons as the Secretary may appoint. Their members shall be, to the extent possible, representative of insurance, medical service, and health plan or plans, and shall serve without compensation but may be allowed transportation and per diem in lieu of subsistence and other expenses.

SEC. 204. The scope of medical care provided under this title shall not exceed the maximum care provided under title I of this Act.

TITLE III

SEC. 301 (a) Medical and dental care in any medical facility of the uniformed services shall, under regulations prescribed jointly by the Secretaries of Defense and Health, Education, and Welfare, be furnished to all persons on active duty or active duty for training in the uniformed services.

(b) Medical and dental care in any medical facility of the uniformed services may, under regulations prescribed jointly by the Secretaries of Defense and Health, Education, and Welfare, be furnished upon request and subject to the availability of space, facilities, and capabilities of the medical staff, to retired members of the uniformed services.

(c) Medical care in any medical facility of the uniformed services may, under regulations prescribed jointly by the Secretaries of Defense and Health, Education, and Welfare, be furnished upon request and subject to the availability of space, facilities, and capabilities of the medical staff, to dependents of retired members of the uniformed services and dependents of persons who died while a retired member of a uniformed service, except that any such care furnished such dependents shall be limited to the care authorized dependents of members of the uniformed services under title I of this Act.

(d) When a person receives inpatient medical or dental care pursuant to the provisions of this Act in a facility of a uniformed service that is not the service of which he is a member or retired member, or that is not the service of the member or retired member upon whom he is dependent, the appropriation supporting the maintenance and operation of the medical facility furnishing the medical care shall be reimbursed at rates established by the Bureau of the Budget to reflect the average cost of providing such care.

SEC. 302. Commissioned officers and warrant officers, active and retired, shall pay an amount equal to the portion of the charge established under section 103 (c) of this Act that is attributable to subsistence when hospitalized in a medical facility of a uniformed service. Retired enlisted personnel, including members of the Fleet Reserve and the Fleet Marine Corps Reserve, shall not be charged for subsistence when hospitalized in a medical facility of a uniformed service.

SEC. 303. Where a person who is covered under an insurance, medical service, or health plan or plans, as provided in this Act, requires hospitalization beyond the period of time provided under such plan or plans, if such hospitalization is authorized in medical facilities of a uniformed

service, such person may be transferred to a medical facility of a uniformed service for the continuation of such hospitalization. Where movement to such medical facility is not feasible, the expenses for such additional hospitalization required by such person in a civilian facility are authorized to be paid, subject to such regulations as the Secretary of Defense after consultation with the Secretary of Health, Education, and Welfare, may prescribe.

SEC. 304. All determinations made under this Act by the Secretary of Defense or the Secretary of Health, Education, and Welfare with respect to dependency shall be conclusive for all purposes and shall not be subject to review in any court or by any accounting officer of the Government, except for cases involving fraud or gross negligence. Such determinations may at any time be reconsidered or modified on the basis of new evidence or for other good cause.

SEC. 305. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 306. The following laws and parts of laws are hereby repealed:

(1) So much of the Act of July 5, 1884 (ch. 217, 23 Stat. 107), as is contained in the proviso under the heading "Medical Departments";

(2) The Act of May 10, 1943 (ch. 95, 57 Stat. 80), except section 4 of such Act, and except that part of section 5 which relates to persons outside the Naval Service mentioned in section 4 of such Act;

(3) Section 326 (b) of the Public Health Service Act, except as it relates to dependent members of families of ships' officers and members of crews of vessels of the Coast and Geodetic Survey;

(4) Section 710 (a) of the Act of July 1, 1944 (ch. 373, 58 Stat. 714), as amended;

(5) Public Law 108, approved June 20, 1949, to the extent it authorizes hospital benefits for dependents of members of the reserve components of the Armed Forces;

(6) Section 207 of the Act of June 25, 1938 (52 Stat. 1180).

SEC. 307. This Act shall become effective six months after the date of its enactment.

And the Senate agree to the same.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
L. C. ARENDS,

Managers on the Part of the House.

RICHARD B. RUSSELL,
HARRY F. BYRD,
By R. B. R.,
LYNDON B. JOHNSON,
By R. B. R.

LEVERETT SALTONSTALL,
STYLES BRIDGES,
By L. S.

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9429) to provide medical care for dependents of members of the uniformed services, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

There were several areas of major difference between the House bill and the Senate amendment.

(1) Under the House bill reservists retired under title III of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 were excluded from the term "retired member of a uniformed service" and thus neither they nor their dependents were entitled to hospitalization in service facilities under the terms of the House bill. The Senate amendment included title III reservists as well as their dependents. The House and Senate managers agreed to include retired reservists under title III of the Retirement Act of 1948, as well as their dependents, provided such reservists have completed not less than 8 years of active service.

(2) Under the House bill the term "dependent" included parents and parents-in-law of a member of the uniformed services as well as the parent or parents-in-law of a retired member or a person who died while a member or retired member of the uniformed services, if the parents or parents-in-law were in fact dependent upon the service member for over one-half of their support. The Senate amendment excluded parents and parents-in-law as dependents. Since this would have eliminated an existing benefit for a large number of such parents and parents-in-law the House managers insisted that parents and parents-in-law be included under the definition of the term "dependent" but agreed to limit the definition to those parents or parents-in-law who receive more than one-half of their support from the service member and actually reside in the household of the service member, or resided in the household at the time of the member's death.

(3) Under the House bill dependents were not authorized hospitalization for domiciliary care, chronic diseases, nervous and mental disorders, and elective medical and surgical treatments except under regulations prescribed by the Secretary of Defense. The Senate amendment denied hospitalization to dependents for domiciliary care or elective medical and surgical treatments, but permitted hospitalization of dependents for nervous and mental disorders or chronic diseases in special cases under regulations prescribed by the Secretary of Defense but limited to hospitalization not to exceed 12 months.

The House and Senate managers agreed to exclude hospitalization for domiciliary care, but also agreed to permit hospitalization for elective medical and surgical treatments as well as for nervous and mental disorders and chronic diseases under regulations prescribed by

the Secretary of Defense in special and unusual cases, except that hospitalization for dependents with such illnesses or disease or requiring elective medical and surgical treatments may not exceed 12 months.

(4) Under the House bill the Secretary of Defense was required to contract for medical care for the wives and children of active duty personnel under an insurance, medical service, or health plan or plans. The plan or plans were to include, but not be restricted to, hospitalization in semiprivate accommodations up to 365 days for each admission for medical and surgical care incident to a period of hospitalization, complete obstetrical and maternity service, required services of a physician or surgeon prior to and following hospitalization for a bodily injury or for a surgical operation, and diagnostic tests and procedures including laboratory and X-ray examinations, accomplished or recommended by a physician incident to hospitalization. In addition under the House bill the patient was required to pay the first \$25 of hospital expenses incurred for each admission.

The House bill also contained language which allowed the Secretary of Defense to enter into such reasonable limitations, additions, exclusions, definitions, and related provisions as were necessary for such insurance, medical service, or health plan or plans.

The Senate amendment likewise directed the Secretary of Defense to establish an insurance, medical service, or health plan for the spouses and children of active-duty members of the uniformed services, but provided that such plan or plans could not include more than the items previously listed which were identical with the House bill, except that under the Senate amendment the patient admitted to a civilian hospital would pay either the first \$25 of expenses or the service charge established by the Secretary for dependents hospitalized in service facilities multiplied by the number of days for which hospitalized, whichever was the greater amount.

The House and Senate managers agreed that the Secretary of Defense will be required to contract for an insurance, medical service, or health plan or plans for the spouses and children of active duty personnel which plan or plans shall include the items previously listed. However, the House and Senate managers agreed to that part of the Senate amendment which requires the patient to pay either \$25 for each admission or the service charge multiplied by the number of days for which hospitalized, whichever is greater. In addition the House and Senate managers agreed to that part of the House bill which permits the Secretary of Defense to provide limitations, additions, exclusions, definitions, and related provisions in such insurance, medical service, or health plan or plans, except that he may not contract for what is normally conceived to be out-patient care.

This will permit the Secretary to contract for an insurance, medical service, or health plan which, for example, will authorize surgery to be performed in a physician's office, or X-rays or laboratory tests to be taken in clinics or laboratories other than in hospitals, but will preclude the Secretary from entering into a type of health, medical service, or insurance plan which would permit dependents to go to private doctors for normal treatments that would not, under ordinary circumstances, require hospitalization.

(5) The House bill granted the Secretary of Defense discretionary authority to contract for an insurance, medical service, or health plan or plans to provide medical care for retired members of a uniformed service as well as their dependents and all other dependents other than spouses and children. The Senate amendment contained no similar language. The House managers agreed to the exclusion of this discretionary authority with the knowledge that after the insurance, medical service, or health plan or plans has been in operation for spouses and children for a period of time it may be possible to later extend the plan by law to the other groups that would have been included under the House bill under the discretionary authority provided in the House bill for the Secretary. It is obvious that the program cannot be extended to retired members and other groups until at least a cost and experience level has been obtained as a result of the program which is to be placed in operation for spouses and children.

(6) The House bill authorized the Secretary of Defense to contract for medical care for dependents of active-duty personnel located outside the continental limits of the United States with acceptable local medical sources or in the alternative to contract for medical care for these dependents under an insurance, medical service, or health plan or plans. Since there is authority contained in the amendment agreed to, to provide an insurance, medical service, or health plan for the spouses and children of active-duty personnel wherever located the House managers agreed to the deletion of this part of the House bill. The Senate amendment had excluded the provision.

(7) The Senate amendment also contained a provision that the scope of medical care provided for spouses and children under the insurance, medical service, or health plan or plans contracted for by the Secretary of Defense would not exceed the maximum care provided in service facilities. The House managers accepted this portion of the Senate amendment.

(8) The House bill provided that a retired member of the uniformed services who completed not less than 30 years of service would be furnished required medical and dental care in a medical facility of a uniformed service subject only to the availability of space, facilities, and capabilities of the medical staff in the service facility. The Senate amendment did not contain similar language. The House managers agreed to the elimination of this special provision for members retired with more than 30 years of active service.

(9) All of the remaining differences between the House bill and the Senate amendment were technical in nature and do not affect the substance of the conference report.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
L. C. ARENDS,

Managers on the Part of the House.

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